

Important: Shelving/Filing Instructions or Shipment Insert

Patent Law: Legal and Economic Principles

by John W. Schlicher

Enclosed is Release #8 for *Patent Law: Legal and Economic Principles*.

Filing Instructions

See Filing Instructions pages included with this shipment.

40921877si

Summary of Contents

Volume 1

- Chapter 1. Introduction to Patent Law and Policy
- Chapter 2. The Economic Policy of Patent Law
- Chapter 3. The Limits on Utility and Subject Matter
- Chapter 4. Novelty, Priority and Related Conditions of Patentability
- Chapter 5. Nonobviousness
- Chapter 6. Loss of the Right to a Patent Under Section 102, and the Prohibition Against Double Patenting
- Chapter 7. Claims and Disclosure

Volume 2

- Chapter 8. Infringement
- Chapter 9. Remedies for Infringement
- Chapter 10. Fraud, Inequitable Conduct, Laches, and Estoppel
- Chapter 11. Antitrust, Misuse, and Public Policy Laws That Limit Exploitation of Patent Rights
- Chapter 12. The Preemption of State Law Based on The Patent Act
- Chapter 13. Commentary on Issues in Patent Law

Table of Laws and Rules

Table of Cases

Index

Table of Contents

Volume 1

CHAPTER 1. INTRODUCTION TO PATENT LAW AND POLICY

- § 1:1 The Constitution, and the policy to promote progress in the useful arts
- § 1:2 The invention protected by a patent
- § 1:3 The conditions and requirements for obtaining a patent
- § 1:4 The process of obtaining a patent
- § 1:5 The rights granted by a patent
- § 1:6 The process of enforcing a patent
- § 1:7 The requirements for a patent application
- § 1:8 —Written description
- § 1:9 —Enablement
- § 1:10 —Best mode
- § 1:11 —Particular and distinct claims
- § 1:12 Patents are granted only for patentable subject matter
- § 1:13 Patents are granted only for useful inventions
- § 1:14 Patents are granted only to those who made an invention
- § 1:15 An inventor may not obtain two patents for the same invention
- § 1:16 Patents are granted only to the first inventor
- § 1:17 Patents are granted only for inventions that were novel when the invention was made
- § 1:18 —The date of invention, the filing date and the effective filing date
- § 1:19 —An invention known or used by others
- § 1:20 —A prior patent or printed publication
- § 1:21 —The identity standard
- § 1:22 Patents are granted only for inventions not identical to inventions described in a prior application issued as a patent
- § 1:23 Entitlement to a patent is lost if if certain events occur more than one year prior to the application
- § 1:24 —Patented or described in a printed publication
- § 1:25 —In public use or on sale
- § 1:26 — —On sale by the inventor

PATENT LAW, LEGAL AND ECONOMIC PRINCIPLES

- § 1:27 — —In public use by the inventor
- § 1:28 — —In public use or on sale by a third party
- § 1:29 — —On sale or in public use for experimental purposes
- § 1:30 Patents are granted only for inventions that would not have been obvious at the time the invention was made
- § 1:31 Patents are not granted to inventors who abandoned the invention
- § 1:32 Patents are not be granted to inventors who fail to claim inventions within one year of a patent claiming the same invention
- § 1:33 The process of determining the scope of the rights
- § 1:34 Literal infringement
- § 1:35 — —Claim construction or interpretation
- § 1:36 — —Intrinsic and extrinsic factors
- § 1:37 — —Claim language
- § 1:38 — —Specification
- § 1:39 — —Other claims
- § 1:40 — —Prosecution history
- § 1:41 — —Prior art
- § 1:42 — —Nature and significance of the invention
- § 1:43 — —Validity under alternative constructions
- § 1:44 — —Accused product or process
- § 1:45 — —Means plus function elements
- § 1:46 Doctrine of equivalents
- § 1:47 — —Identifying equivalents to an element or limitation
- § 1:48 — —Functions, ways, and results
- § 1:49 — —Known interchangeability
- § 1:50 — —Imitation, independent development, copying, and designing around
- § 1:51 — —Character of the invention
- § 1:52 — —Limits on the doctrine of equivalents
- § 1:53 — —Prosecution history estoppel
- § 1:54 — —The doctrine may not be applied to eliminate any element
- § 1:55 — —The doctrine does not extend to products that merely embody the prior art
- § 1:56 — —The doctrine may not extend to products described in the specification and not claimed
- § 1:57 Reverse doctrine of equivalents
- § 1:58 Acts prohibited by a patent
- § 1:58.1 — —Direct infringement
- § 1:59 — —Indirect infringement
- § 1:60 — —Actively inducing direct infringement
- § 1:61 — —Contributory infringement
- § 1:62 — —Activities outside the United States

TABLE OF CONTENTS

- § 1:63 —Sale of the product of a patented process
- § 1:64 —Making the parts of a patented product and supplying them for use outside the United States
- § 1:65 —Experimental uses
- § 1:66 Limitation on rights and remedies for infringing medical activities
- § 1:67 Activities authorized by the patent owner are not infringement; license
- § 1:68 Activities involving a product purchased from a patent owner or a licensee
- § 1:69 —The exhaustion doctrine
- § 1:70 —Sales by a licensee
- § 1:71 —Sales by a patent owner
- § 1:72 —Implied license
- § 1:73 —Repair
- § 1:74 Remedies for infringement
- § 1:74.1 —An injunction against infringement
- § 1:75 —Preliminary injunctions
- § 1:76 —Monetary remedies
- § 1:77 —The basic measure of monetary remedies
- § 1:78 —Lost profits
- § 1:79 —Profits on lost sales
- § 1:80 —The market and demand for the product
- § 1:81 —Absence of acceptable noninfringing substitutes sold by others
- § 1:82 —Absence of noninfringing substitutes available to the infringer
- § 1:83 —Capability to make and sell the lost units
- § 1:84 —The amount of profits on lost sales
- § 1:85 —Entire profits or the portion attributable to the invention
- § 1:86 —Lost profits on complementary products
- § 1:87 —Lost profits from lower prices or higher costs on patent owner sales
- § 1:88 —Lost royalties
- § 1:89 —Compensation not less than a reasonable royalty
- § 1:90 —An amount that would have been agreed in a hypothetical negotiation
- § 1:91 —An established royalty
- § 1:92 —The value of an invention depends on demand, and the nature of the market
- § 1:93 —Demand for complementary products; collateral or convoyed sales
- § 1:94 —Profits from use of the invention
- § 1:95 —Portion of profits attributable to the invention

PATENT LAW, LEGAL AND ECONOMIC PRINCIPLES

- § 1:96 — —The invention compared to available substitutes
- § 1:97 — —The invention in view of complementary assets and inventions
- § 1:98 — —Manner the patent owner would exploit the invention
- § 1:99 — —Patent owner and infringer licensing practices
- § 1:100 — —Customary royalties
- § 1:101 — —The assumption that the patent is valid and infringed
- § 1:102 — —Unit sales and sales revenue on which damages are based
- § 1:103 — —Lost profits for some infringing sales and a reasonable royalty for others; split awards
- § 1:104 — —Increased damages
- § 1:105 — —Attorneys' fees
- § 1:106 — —Prejudgment interest
- § 1:107 The time limitation on commencing an action, and the marking requirement
- § 1:108 Fraud and inequitable conduct defenses
- § 1:109 — —Fraud during prosecution
- § 1:110 — —Inequitable conduct during prosecution
- § 1:111 Laches defense
- § 1:112 Estoppel defense
- § 1:113 Limits on a patent owner's exploitation; Antitrust, misuse, public policy
- § 1:114 Patent misuse defense
- § 1:115 Who decides what issues
- § 1:116 — —Legal or equitable defenses
- § 1:117 — —Claim construction and infringement
- § 1:118 — —Damages, increased damages and attorneys' fees
- § 1:119 — —Issues of fact and law

CHAPTER 2. THE ECONOMIC POLICY OF PATENT LAW

- § 2:1 Introduction
- § 2:2 Technology and economic growth
- § 2:3 — —Technological change is critical to growth
- § 2:4 — —Creating new technology is expensive
- § 2:5 — —Creating and exploiting new technology is risky
- § 2:6 — —The use of scarce resources and technology
- § 2:7 — —Markets and resource use
- § 2:8 — —Law and market incentives
- § 2:9 The economic policy of patent law
- § 2:10 — —Encourage inventing by increasing incentives

TABLE OF CONTENTS

- § 2:11 —Encourage disclosure of inventions
- § 2:12 —Preventing inventions from being removed from the public domain
- § 2:13 —Multiple purposes
- § 2:14 —Encourage commercial use of inventions
- § 2:15 —Encourage inventing by granting a monopoly
- § 2:16 Patent law as a property rights system
- § 2:17 Externalities
- § 2:18 Externalities in the production of technical information
- § 2:19 Production of technical information with no law
- § 2:20 The Coase theorem
- § 2:21 Contracts
- § 2:22 Trade secret laws
- § 2:23 Patents to increase the value of inventing
- § 2:24 —Patents and the cost of inventing
- § 2:25 —Patents and transaction costs
- § 2:26 —Patents, social cost and the patent term
- § 2:27 —Profits are not a social cost
- § 2:28 —Administrative, information and enforcement costs
- § 2:29 —The “cost” of too little use of inventions - monopoly, and regulated monopoly (i.e., compulsory licensing)
- § 2:30 —The “cost” of too much investment in substitutes - “inventing around”
- § 2:31 —The “cost” of too little investment in improvements
- § 2:32 —The cost of patent cartels
- § 2:33 —Summary
- § 2:34 —Disclosure as a *quid pro quo* for the rights
- § 2:35 Encourage inventing and disclosure
- § 2:36 Assure free use of public domain information
- § 2:37 Encourage commercial use of inventions
- § 2:38 Direct government subsidy
- § 2:39 Books and articles
- § 2:40 —Property rights generally
- § 2:41 —On when the law changes resource use
- § 2:42 —The public good problem
- § 2:43 —The public good problem of technical information
- § 2:44 —The economics of research and technological information generally
- § 2:45 —The economics of the patent system generally
- § 2:46 —Information gathering and anticipated costs and benefits
- § 2:47 —Economics and patent law
- § 2:48 —Economics and copyright law
- § 2:49 —Economics and trademark law
- § 2:50 —Economics and intellectual property law

- § 2:51 —Economics and patent licenses and agreements
- § 2:52 —On research, firm size and market structure

CHAPTER 3. THE LIMITS ON UTILITY AND SUBJECT MATTER

- § 3:1 Introduction—The statutory limits
- § 3:2 Useful
- § 3:3 —The law of patentable utility
- § 3:4 — —Utility of chemical compounds and processes
- § 3:5 — —Utility of pharmaceutical compositions and methods
- § 3:6 —The economic policy of a utility requirement
- § 3:6.1 The purpose of a utility requirement
- § 3:7 The economic policy of a utility requirement—The purpose of a utility requirement—Commercial usefulness
- § 3:8 — —Usefulness for some purpose and technical capability for that use
- § 3:9 — —Substantial rather than trivial use
- § 3:9.1 — —Utility of chemical compounds and processes
- § 3:9.2 — —Utility of pharmaceutical compositions and methods
- § 3:10 —The development of the utility standard
- § 3:10.1 — —The Story standard
- § 3:10.2 — —The *Brenner v. Manson* standard
- § 3:11 Patentable subject matter
- § 3:12 —The statutory limit on patentable subject matter
- § 3:13 —The law of patentable subject matter
- § 3:14 — —Scientific truths and laws of nature
- § 3:15 — —Useful products and processes that are application of scientific and natural laws
- § 3:16 — —Mathematical formulas
- § 3:17 — —Abstract ideas or principles and mere functions or results in the abstract
- § 3:18 — —Products made by nature
- § 3:19 — —Processes and methods
- § 3:19.1 — —Processes and methods of doing business
- § 3:20 — —The relationship between patentable utility and subject matter
- § 3:21 —The economic policy of limits on subject matter
- § 3:21.1 — —The nature of the limits on patentable subject matter
- § 3:21.2 — —The purpose of patent law and the Constitution
- § 3:22 — —The nature of patent law and the Patent Act

TABLE OF CONTENTS

- § 3:23 — —Patentable subjects are designs of usable products and processes, because these designs provide direct economic benefits, and patents are needed to obtain those benefits
- § 3:24 — —Unpatentable subjects are abstract ideas, natural laws, and some natural phenomena, because these do not provide direct economic benefits
- § 3:25 — —Unpatentable subjects are abstract ideas, natural laws, and some natural phenomena, because patents are not needed to obtain those benefits
- § 3:26 — —Unpatentable subjects are abstract ideas, natural laws, and some natural phenomena, because patents would prevent development of actual products and processes, discovery of related ideas and laws, or people from continuing to engage in some existing activity
- § 3:27 — —Abstractions, principles and laws are not patentable due to the high costs such patents would impose on others
- § 3:28 — —Patents on principles, laws, or abstract concepts would have greater value than the technical information inventors provide in applications
- § 3:29 — —Some laws of nature and scientific principles are the same thing as products and processes used by people and businesses
- § 3:30 — —The development of limits on patentable subject matter
- § 3:31 — —Abstract principles and laws of nature are not patentable—*Wyeth, Le Roy, and O'Reilly*
- § 3:32 — —Certain types of processes are not patentable—*Corning, Cochrane, Tilghman, The Telephone Cases, and Risdon*
- § 3:33 — —Process independent of a particular machine is patentable—*Expanded Metal*
- § 3:34 — —A natural product is not patentable—*Fruit Growers*
- § 3:35 — —Microorganisms—*Funk Bros., Bergy and Chakrabarty*
- § 3:36 — —The development of limits on patentable subject matter—Processes and machines that involve mathematical formulas
- § 3:37 — —A mathematical process useful with a computer is not patentable—*Gottschalk*
- § 3:38 — —A process is not patentable if the only novel feature is a mathematical formula—*Parker*
- § 3:39 — —A process to change the nature of a material is patentable even if it implements a mathematical formula—*Diehr*

- § 3:40 — —Patentable subject matter after *Gottschalk, Parker, Diehr—Freeman-Walter-Abele, Arrhythmia Research, Schrader, Alappat, State Street Bank, AT&T, Laboratory Corp., Comiskey*
- § 3:41 — — —*Bilski* and business methods
- § 3:42 — —Patentable subject matter after *Gottschalk, Parker, Diehr* Processes and methods of doing business—*Hotel Security, Wait, Patton, Loew's, Paine Webber, Schrader, State Street Bank, Bilski*

CHAPTER 4. NOVELTY, PRIORITY AND RELATED CONDITIONS OF PATENTABILITY

- § 4:1 The statutory conditions for patentability in Section 102
- § 4:2 Patents are available only to those who independently make inventions; Inventorship and sections 101 and 102(f)
- § 4:3 One patent for each invention
- § 4:4 An inventor may not obtain two patents for the same invention; Double patenting
- § 4:5 A patent is issued only to the first inventor; Section 102(g)
- § 4:6 A patent is issued only to first inventor; Section 102(g)—Priority of invention
- § 4:7 A patent is issued only to the first inventor; Section 102(g)—Invention in the U.S., a NAFTA or a WTO country
- § 4:8 —The date of invention
- § 4:9 — —The filing date of an application may determine the applicant's entitlement to a patent
- § 4:10 — —New matter
- § 4:11 — —The filing date of an earlier application as the effective filing date
- § 4:12 —Economic policy of priority of invention
- § 4:13 A patent is issued only for inventions novel when the invention was made; sections 102(a) and 102(e)
- § 4:14 —The law of novelty or anticipation
- § 4:15 — —The date of invention
- § 4:16 — —An invention known or used by others
- § 4:17 — —A prior patent or printed publication
- § 4:18 — —A prior patent application by another; Section 102(e)
- § 4:19 — —Prior art must disclose or embody the identical invention

TABLE OF CONTENTS

- § 4:20 — —The prior art document must disclose how to make and use the invention
- § 4:21 — —A prior art document may inherently describe the invention
- § 4:22 —Economic policy of novelty
- § 4:23 —Development of the novelty requirement
- § 4:23.50 — —Act of 1793
- § 4:24 A patent is issued only for inventions novel when the invention was made; Sections 102(a) and 102(e)—The development of the novelty requirement—*Pennock v. Dialogue* and the Acts of 1836 and 1870
- § 4:25 A patent is issued only for inventions novel when the invention was made; Sections 102(a) and 102(e)—The development of the novelty requirement—*Gayler v. Wilder* and public accessibility
- § 4:26 A patent is issued only for inventions novel when the invention was made; Sections 102(a) and 102(e)—The development of the novelty requirement—Defining public accessibility; *Coffin, Brush and Corona*
- § 4:27 A patent is issued only for inventions novel when the invention was made; sections 102(a) and 102(e)—Development of the novelty requirement—The Act of 1952
- § 4:28 — —Patents issued from prior applications by others; *Milburn, Hazeltine*
- § 4:29 A patent is issued only for inventions novel when the invention was made; Sections 102(a) and 102(e)—The development of the novelty requirement—Occasional, accidental, nonrecognized devices and processes—*Tilghman, Eibel, Ansonia, Carnegie, General Electric*
- § 4:30 Patent reform and the changes to section 102 in the America Invents Act
- § 4:31 —The purpose of patent law, if any, that guided the America Invents Act
- § 4:32 A patent is issued only for inventions novel when the invention was made; sections 102(a) and 102(e)—The purposes of the America Invents Act—Adapt to legal and economic conditions of the current century, improve patent quality, limit litigation, harmonization (First-to-File)
- § 4:33 —The changes to sections 100, 102, and 103
- § 4:34 —The purpose of the changes to sections 102 and 103
- § 4:35 —The America Invents Act changes the law to award a patent to the first inventor to file an application instead of the first inventor to make the invention
- § 4:36 —The America Invents Act changes the time used to determine whether an invention is new and

- nonobvious from inventors' invention dates to their application filing dates
- § 4:37 —The America Invents Act eliminates section 102(g) and the rule that prior invention by one inventor prevents a patent to a second inventor and is prior art
 - § 4:38 —New section 102(a) of the America Invents Act eliminates the basic "known or used by others" standard and replaces it with an "in public use, on sale, or otherwise available to the public" standard
 - § 4:39 —New section 102 of the America Invents Act appears to eliminate the separate doctrine of loss of rights
 - § 4:40 —The history and Congressional commentary on the meaning of new section 102(a) of the America Invents Act and the standard defining activities that are prior art
 - § 4:41 —New section 102(a) of the America Invents Act changes the dates for deciding whether some activities prevent a patent
 - § 4:42 —New section 102 of the America Invents Act broadens activities that prevent a patent from activities in the United States to activities anywhere in the world
 - § 4:43 —The America Invents Act changes the date for determining whether public use or sale prevents a patent
 - § 4:44 —The America Invents Act eliminates section 102(c)
 - § 4:45 —The America Invents Act eliminates section 102(d)
 - § 4:46 —The America Invents Act changes the law under section 102(e)
 - § 4:47 —The America Invents Act eliminates section 102(f)
 - § 4:48 —The America Invents Act returns United States patent law to the law of the 1790s and early 1800s

CHAPTER 5. NONOBVIOUSNESS

- § 5:1 The statutory requirement of patentability in Section 103
- § 5:2 The law of nonobviousness
- § 5:3 —The nonobviousness requirement of Section 103
- § 5:4 —Nonobviousness is not based on hindsight
- § 5:5 —The sources of prior art
- § 5:6 —The analogous or pertinent prior art
- § 5:7 —The differences between the invention and the prior art
- § 5:8 —The level of ordinary skill in the art
- § 5:9 —The circumstances surrounding the origin of the invention

TABLE OF CONTENTS

§ 5:10 — —The presence or absence of a long-felt, unsolved need

§ 5:11 — —The failure or success of other inventors who tried to make the invention

§ 5:12 — —The presence or absence of commercial success

§ 5:13 — —Other factors

§ 5:14 — —A secondary factor must have a relationship or nexus to the invention

§ 5:15 Economic policy of nonobviousness

§ 5:16 Development of the nonobviousness requirement

§ 5:17 —Patent Acts prior to 1952

§ 5:18 —There is no invention requirement; *Earl v. Sawyer*

§ 5:19 —Creation of an invention requirement—*Hotchkiss*

§ 5:20 —Early applications of the requirement; *Hailes, Hicks and Rickendorfer*

§ 5:21 —Basis for the invention rule—*Atlantic Works*

§ 5:22 —Determining invention from historical, economic factors; *Webster Loom, Goodyear Dental, Barbed Wire and McClain*

§ 5:23 —Ordinary mechanics and the prior art; *Mast*

§ 5:24 —Invention and commercial use; *Diamond Rubber*

§ 5:25 —Contemporaneous invention by others; *Concrete Appliances*

§ 5:26 —Decline of historical factors and the rise in ordinary skill; *Carbice, Paramount, Altonna, and Cuno*

§ 5:27 —Historical evidence after *Cuno*; *Dow and Jungersen*

§ 5:28 —Skilled mechanics and skilled experimenters; *Mandel*

§ 5:29 —Combinations of old components and the frontiers of science; *A. & P. Tea*

§ 5:30 —Section 103 of the Patent Act of 1952

§ 5:31 —Effect of Section 103; *Graham v. John Deere*

§ 5:32 — —Invention requirement had no basis in prior patent acts

§ 5:33 — —Section 103 did not change the law

§ 5:34 — —Court may determine level of patentable invention

§ 5:35 — —Cost of patents

§ 5:36 — —“Patent monopoly”

§ 5:37 —Effect of Section 103—*Graham v. John Deere*—Identifying inventions that would be devised without patents

§ 5:38 —Effect of Section 103; *Graham v. John Deere*—Historical, economic factors

§ 5:39 — —Patent is invalid

§ 5:40 —Economic factors may tip the scales; *Calmar*

- § 5:41 —Ordinary people follow conventional wisdom; *United States v. Adams*
- § 5:42 —Section 103 and combinations—Anderson’s-Black Rock and Sakraida
- § 5:42.10 —The suggestion-motivation requirement; *KSR v. Teleflex*
- § 5:42.20 — —The facts and the result
- § 5:42.30 — —The suggestion-motivation test and *Graham*
- § 5:42.40 — —The law governing mechanical inventions that combine old parts
- § 5:42.50 — —The invention and the prior art as viewed by an ordinary designer
- § 5:42.60 — —The person of ordinary skill—A designer who knows market demands and exercises creativity
- § 5:42.70 — —The purpose of section 103 and the nonobviousness requirement
- § 5:42.80 — —The limits of KSR
- § 5:43 —The purpose of Section 103; *Roberts v. Sears, Roebuck*
- § 5:44 —Section 103 and the Court of Appeals for the Federal Circuit; Historical tests
- § 5:45 —Section 103 and the Court of Appeals for the Federal Circuit—Combinations of old components and synergistic results
- § 5:46 — —Who is an ordinarily skilled person?
- § 5:47 — —Presumption of knowledge
- § 5:48 — —What is the “prior art”?
- § 5:49 Patent reform and the changes to Section 103 in the America Invents Act
- § 5:50 —The changes to Section 103
- § 5:51 —The America Invents Act changes the date for determining nonobviousness under Section 103
- § 5:52 —The America Invents Act changes the prior art for determining nonobviousness under Section 103

CHAPTER 6. LOSS OF THE RIGHT TO A PATENT UNDER Section 102, AND THE PROHIBITION AGAINST DOUBLE PATENTING

- § 6:1 The statutory conditions for losing rights in Sections 102(b), (c) and (d), and limiting rights in Section 101
- § 6:2 The law of Section 102(b)
- § 6:3 —Patented or described in a printed publication
- § 6:4 —In public use or on sale—The policy of Section 102(b)

TABLE OF CONTENTS

- § 6:5 — —An inventor's placing an invention on sale
- § 6:6 — —An inventor's placing an invention in public use
- § 6:7 — —On sale or in public use for experimental purposes
- § 6:8 — —In public use or on sale by a third-party
- § 6:9 —The identity and obvious variation standards
- § 6:10 The law of losing rights due to an inventor's abandonment of the invention; Section 102(c)
- § 6:11 An invention of an application filed more than one year after someone else obtains a patent claiming the same invention; Section 135(b)
- § 6:12 Economic policy of the public use, on sale, and abandonment rules
- § 6:13 The economic policy of the public use, on sale, and abandonment rules—Provide earlier information about future patent rights
- § 6:14 —Limit the private value of an invention
- § 6:15 —Encourage prompt disclosure of inventions
- § 6:16 —Prevent patents for inventions available to the public
- § 6:17 —Applying the policy of Section 102(b)
- § 6:18 Development of the law of the public use and on sale bars
- § 6:18.50 —Authorized use of a product for profit or sale for use by others; *Pennock*
- § 6:19 —Unauthorized use by the public; *Shaw*
- § 6:20 —Congress adopts *Pennock*; The Act of 1836
- § 6:21 —Commercial use; *McClurg, Kendall*
- § 6:22 —Patent Act of 1870
- § 6:23 —A single sale by the inventor; *Consolidated Fruit*
- § 6:24 —Experimental use; *Elizabeth*
- § 6:25 —Selling or giving a product to others for use; *Egbert, Hall*
- § 6:26 —Use to make and sell a product; *Smith and Griggs*
- § 6:27 —Abandonment; *U.S. Rifle*
- § 6:28 —Commercial use by others; *Andrews*
- § 6:29 —*Root, Gandy* and the Act of 1897
- § 6:30 —Commercial production is public use; *Electrical Storage Battery*
- § 6:31 —Patent Act of 1939
- § 6:32 —On sale when an inventor offers to sell a product after the product is ready for patenting; *Pfaff*
- § 6:33 —Extending the bar to contracts to sell and offers to sell and without regard to the time of an actual sale
- § 6:34 —Secret use by a third party and secret use by the inventor

- § 6:35 —A product is on sale when a producer offers to supply products and had the present ability to supply
- § 6:36 —Extension of on sale activities to offers; *Timely, General Electric*
- § 6:37 —Extension of the on sale bar to activities not involving exploitation; *Koch*
- § 6:38 —The extension of the on sale bar; *RCA*
- § 6:39 Double patenting—Law of double patenting
- § 6:40 —Economic policy of double patenting
- § 6:41 —Development of the law of double patenting
- § 6:42 Patent reform and the changes to section 102 in the America Invents Act
- § 6:43 —The changes to section 102
- § 6:44 —New section 102 appears to eliminate the separate doctrine of loss of rights
- § 6:45 New section 102(a) eliminates the “known or used by others” standard and replaces it with an “in public use, on sale, or otherwise available to the public” standard
- § 6:46 New section 102(a) broadens the public use and on sale activities that prevent a patent from activities in the United States to activities anywhere in the world
- § 6:47 New section 102(a) may change the nature of the public use and on sale activities that prevent a patent
- § 6:48 Changing the date for determining whether public use or sale prevents a patent

CHAPTER 7. CLAIMS AND DISCLOSURE

- § 7:1 The Law governing the specification and claims
- § 7:2 The specification must meet three requirements
- § 7:3 The written description requirement
- § 7:4 The enablement requirement—Information sufficient to enable a skilled person to make and use without unreasonable or undue experimentation at the time of filing
- § 7:5 —The specification is deemed to contain information that a skilled person would know at the time of filing
- § 7:6 —The specification must contain enough information to permit a skilled person to make and use the invention without unreasonable experimentation
- § 7:7 —Three types of enablement problems
- § 7:8 —Enablement and utility
- § 7:9 —Enablement and claim construction
- § 7:10 The best mode requirement
- § 7:11 The specification must have particular, distinct claims

TABLE OF CONTENTS

- § 7:12 —The definiteness requirement
- § 7:13 —The scope requirement
- § 7:14 Reissue of the patent to correct the scope
- § 7:15 The process of determining the actual scope of the rights
- § 7:16 Literal infringement
- § 7:17 —Literal infringement requires that all claim limitations be found in a device or process
- § 7:18 —Claim construction or interpretation
- § 7:19 — —The claim language
- § 7:20 — —The specification
- § 7:21 — —The other claims
- § 7:22 — —The prosecution history
- § 7:23 — —Prior art
- § 7:24 — —Intrinsic and extrinsic evidence
- § 7:25 — —The nature and significance of the invention
- § 7:26 — —Validity under alternative reasonable constructions
- § 7:27 — —The accused product or process
- § 7:28 Infringement and construction of means plus function elements
- § 7:29 —Construction of claims under section 112(6)
- § 7:30 —Literal infringement of section 112(6) elements
- § 7:31 —Infringement of section 112(6) elements under the doctrine of equivalents
- § 7:32 The doctrine of equivalents
- § 7:33 —Determining the equivalents of a claim element
- § 7:34 —Known interchangeability
- § 7:35 —Substantially same function, way, and result
- § 7:36 —Insubstantial or merely colorable differences
- § 7:37 —Other considerations—Imitation, independent research and experimentation, copying, and designing around
- § 7:38 —The character of the invention
- § 7:39 —The doctrine of equivalents applied to limit the claims
- § 7:40 —The doctrine of equivalents may not be applied so broadly as to effectively eliminate any element
- § 7:41 —The doctrine of equivalents does not extend to products that merely embody the prior art or would have been obvious in view of the prior art
- § 7:42 —The doctrine of equivalents may not extend to products described in the specification and not claimed
- § 7:43 —Prosecution history estoppel
- § 7:44 —Estoppel by argument
- § 7:45 The economic policy of the law defining the contents of a patent and the invention protected by a patent

PATENT LAW, LEGAL AND ECONOMIC PRINCIPLES

- § 7:46 —The description requirement
- § 7:47 —Breadth of description and claims
- § 7:48 —The enablement requirement
- § 7:49 —The best mode requirement
- § 7:50 —The *quid pro quo* theory
- § 7:51 —The economic policy of claims and the scope of rights
- § 7:52 —Defining the scope of rights and the purpose of patents
- § 7:53 —The reasonable definiteness requirement
- § 7:54 —The requirement of reasonable breadth
- § 7:55 —The proper scope of a patent, and the purpose of patent law
- § 7:56 —The correct scope and the private value of an invention
- § 7:57 —The scope determining laws given the costs and risk of patents
- § 7:58 —Claims and the correct scope of a patent
- § 7:59 —The general legal framework for defining the scope of rights with respect to a particular product or process
- § 7:60 —The procedure for defining the scope of rights with respect to a particular product or process
- § 7:61 —Balancing incentives by claim construction and the doctrine of equivalents
- § 7:62 —Patent scope and the legal framework
- § 7:63 — —Claims and description
- § 7:64 — —Similarity in function, way, and result
- § 7:65 — —Interchangeable substitutes
- § 7:66 — —Prior art
- § 7:67 — —Pioneer or primary inventions
- § 7:68 — —Products embodying improvements
- § 7:69 —Prosecution history estoppel
- § 7:70 — —The effects of the rule and its purpose
- § 7:71 — —Avoiding litigation costs and risks
- § 7:72 — —Avoiding unnecessary costs and risk without impairing inventing incentives
- § 7:73 — —Which rule yields the largest difference between cost and risk savings and losses from reduced incentives—The *Festo* dilemma
- § 7:74 Development of the law governing claims and the scope of rights granted
- § 7:75 —Description—Patent Act of 1793
- § 7:76 —Scope depends on words in a patent—*Evans*
- § 7:77 —Description and specification—Patent Act of 1836
- § 7:78 —Claim language and construction under 1836 Act—*Winans*

TABLE OF CONTENTS

- § 7:79 —Description and claim—Patent Act of 1870
- § 7:80 —Claims are the sole measure of rights—*Merrill, Keystone, McClain, Mahn*
- § 7:81 —Scope depends on function, way, and result, not name, form, or shape—*Machine Co.*
- § 7:82 —Combinations and known substitutes—*Gould, Morley*
- § 7:83 —Amendments adding an element to combination claims and the creation of prosecution history estoppel—*Leggett, Shepard*
- § 7:84 —All elements of combination claim—*Water-Meter*
- § 7:85 —Letter of the claims does not settle scope—*Westinghouse*
- § 7:86 —A claim narrowed to obtain the patent cannot be construed to revive the rejected claim by broad construction—*Hubbell*
- § 7:87 —The approach that developed after *Hubbell*
- § 7:88 —A claim narrowed to obtain a patent may not by construction or equivalents have the same scope it would have had without the amendment—*Weber v. Freeman*
- § 7:89 —A claim limited to overcome a rejection is looked upon as a disclaimer, and an estoppel to claim the benefit of the rejected claim or a construction of the amended claim as to be equivalent thereto—*Smith v. Magic City Kennel Club*
- § 7:90 —By narrowing the claims to obtain a patent, the applicant abandons all that is embraced by the difference between the original and amended claim—*Exhibit Supply*
- § 7:91 —Description and the claim—*Continental Paper Bag*
- § 7:92 —Degree of advance, construction, and equivalents—*Eibel Process, Sanitary*
- § 7:93 —Estoppel by amendment—*Exhibit Supply*
- § 7:94 —Patent validity and particular, distinct claims—*Eibel, Holland*
- § 7:95 —Construing claims for processes carried out by a machine—*Smith, Waxham*
- § 7:96 —Patent validity and particular, distinct claim—*General Electric, United Carbon, and Halliburton Oil*
- § 7:97 —Scope, claims, and the rule of equivalents—*Graver v. Linde*
- § 7:98 — — —*Graver v. Linde* as interpreted and applied by the lower courts
- § 7:99 —Patent Act of 1952 and combination claims
- § 7:100 —Scope of means-plus-function claims under section 112—*Halliburton, Valmont, Pennwalt, Texas Instruments*

- § 7:101 —The court of appeals and the doctrine of equivalents—
Hughes, Autogiro
- § 7:102 —Literal infringement determined by construing and
interpreting claims, then comparing claims to the
device—*Markman*
- § 7:103 —Federal circuit’s interpretation of the doctrine of
equivalents—*Hilton Davis*
- § 7:104 —Supreme Court’s interpretation. The doctrine of
equivalents *Warner-Jenkinson v. Hilton Davis*
- § 7:105 — —Understanding the *Hilton Davis* modification of the
doctrine of equivalents —Judge Nies’ opinion in *Hilton
Davis*
- § 7:106 —Relationship between doctrine of equivalents and
claim construction (or literal infringement)
- § 7:107 —Does the element-by-element standard apply to all
inventions or merely to combination inventions?
- § 7:108 —What is an “element” of a claim?
- § 7:109 —When is an element of an accused device or process
equivalent to a claimed element?
- § 7:110 —Factors to be considered
- § 7:111 —Significance of factors other than function-way result
- § 7:112 —Time for analysis of factors bearing on equivalents
- § 7:113 —Legal limits on the doctrine of equivalents—
Prosecution history estoppel
- § 7:114 —Doctrine of equivalents may not be applied to
effectively eliminate any element of a claim
- § 7:115 —Are there other legal limits?
- § 7:116 —Doctrine of equivalents and reverse doctrine of
equivalents
- § 7:117 —Doctrine of equivalents applies to means-plus-function
claims under section 112, paragraph 6
- § 7:118 —Allocation of decision-making between judge and jury
- § 7:119 —Estoppel by amendment—*Warner-Jenkinson v. Hilton
Davis*
- § 7:120 —Prosecution history estoppel—*Festo*
- § 7:121 — — —The law according to the federal circuit
- § 7:122 — — —The facts and the decision
- § 7:123 — — —The effect of prosecution history estoppel
- § 7:124 — — —The patentability reasons that create estoppel
- § 7:125 — — —Amendments not made in response to a rejection
and not the basis for allowance—Voluntary
amendments
- § 7:126 — — —The actual effects of *Festo*
- § 7:127 — — —The Supreme Court
- § 7:128 — — —When prosecution history estoppel arises
- § 7:129 — — —The effect of prosecution history estoppel

TABLE OF CONTENTS

- § 7:130 — — —The doctrine of equivalents and prosecution history estoppel are part of claim construction

Volume 2

CHAPTER 8. INFRINGEMENT

- § 8:1 Direct infringement—Section 271(a)
§ 8:2 —Making, using, selling, and importing a patented product or using a patented process
§ 8:3 Indirect infringement—Actively inducing infringement; Section 271(b)
§ 8:4 —Contributory infringement; selling a component of a patented product or a material or apparatus used in a patented process; Section 271(c)
§ 8:5 Infringement by activities within and outside the United States
§ 8:6 Infringement by—Filing an application for FDA approval to market a patented drug; Section 271(e)
§ 8:7 —Making the components of a patented product and supplying them for use outside the United States; Section 271(f)
§ 8:8 —Sale of the product of a patented process; Section 271(g)
§ 8:9 Some experimental uses are not infringement
§ 8:10 Limitations on remedies for infringing medical activities; Section 281(a)
§ 8:11 Prior user or earlier inventor defense; Section 273
§ 8:12 Activities authorized by the patent owner; the license defense
§ 8:13 Activities involving a product purchased from a patent owner or a licensee
§ 8:14 —Exhaustion doctrine; Sales by a patent owner
§ 8:15 —Exhaustion doctrine; Sales by a licensee
§ 8:15A Exhaustion based on foreign sales by a patent owner, licensee, or others
§ 8:16 Activities involving a product purchased from a patent owner or a licensee—Implied license
§ 8:17 —Repairing and improving a patented product
§ 8:18 Economic policy of infringement—Exclusive rights to physical products and processes
§ 8:19 —Strict liability for making, using and selling
§ 8:20 —Rights against makers and sellers as well as users
§ 8:21 —Experimental use
§ 8:22 —Indirect infringement to reduce enforcement and transaction costs

- § 8:23 —Inducement of infringement
- § 8:24 —Perceived problem of patent owners capturing the value of inventions indirectly
- § 8:25 —Contributory infringement and Section 271(c)
- § 8:26 —Implied license and exhaustion defenses
- § 8:27 —Section 217(f); Making the parts of a patented product and supplying them for use outside the united states
- § 8:28 —Section 271(g); Sale of the product of a patented process
- § 8:29 —Infringement by activities outside the united states
- § 8:30 —Prior user defense
- § 8:31 Development of the law of infringement—Introduction
- § 8:32 —Direct infringement not evaded by sham agreements; *Keplinger*
- § 8:33 —Selling a component of a patented product; *Wallace and Saxe*
- § 8:34 —Test for indirect infringement; *American Cotton Tie*
- § 8:35 —Indirect infringement and implied license; *Lawther*
- § 8:36 —selling perishable components; *Morgan Envelope*
- § 8:37 —Selling perishable supplies; *Heaton Button-Fastener*
- § 8:38 —Indirect infringement in the lower courts
- § 8:39 —Selling supplies or components; *Cortelyou and Leeds & Catlin*
- § 8:40 —Adoption of the rule in *Heaton Button-Fastener*; *Henry v. A.B. Dick*
- § 8:41 —Rejecting the Rule in *Heaton Button-Fastener*; *Motion Picture Patents*
- § 8:42 —Contributory infringement after *Motion Picture Patents*
- § 8:43 —Supplying materials; *Carbice*
- § 8:44 —Contributory infringement after *Carbice*
- § 8:45 —Contributory infringement and patented processes; *Leitch*
- § 8:46 —Creation of the Misuse Doctrine; *Morton Salt and B.B. Chemical*
- § 8:47 —Patent misuse and antitrust liability; *Mercoid* cases
- § 8:48 —Patenting components; *Special Equipment*
- § 8:49 —Patent Act of 1952; Section 271
- § 8:50 —Patent owner sales of unpatented products; Section 271(d); *Dawson*
- § 8:51 —Exhaustion, implied license, and repair doctrines
- § 8:52 —Creation of the exhaustion concept; *Wilson v. Rousseau and Bloomer v. McQuewan*
- § 8:53 —Purchaser of a patented product may use it during an extended term; *Chaffee and Bloomer v. Millinger*

PATENT LAW, LEGAL AND ECONOMIC PRINCIPLES

- § 9:4 Limits on injunctive relief—Estoppel, intervening rights, federal government activities
- § 9:5 Appeal, stay, and contempt
 - § 9:5.50 —Appeal and stay pending appeal
 - § 9:5.60 —Contempt proceedings
- § 9:6 Economic issues on injunctive relief
 - § 9:6.50 —The effects of the granting and denying a permanent injunction
 - § 9:6.60 —The effects of the judicial control of use of inventions and the price and terms of use
 - § 9:6.70 —Problems and limitations of the traditional four part test
 - § 9:6.80 —Injunctions and patent owners who license
 - § 9:6.90 —An Example of the economic consequences of granting or denying permanent injunctions to patent owners that license
 - § 9:6.100 —The standard for granting preliminary injunctions
- § 9:7 Injunctions against infringers with significant product-specific
 - § 9:7.50 Injunctions against infringers with significant product-specific investments—The hold-up characterization
 - § 9:7.60 —A solution to the problem
 - § 9:7.70 —Create conditions that permit people to avoid the problem
 - § 9:7.80 —Related issue of producers in markets with large demand side scale economies
- § 9:8 Damages and attorney fees; Sections 284 and 285
- § 9:9 Damages compensate the owner based on the value of the invention
 - § 9:10 Two basic measures of damages
 - § 9:11 Lost profits
 - § 9:12 —Profits on lost sales
 - § 9:13 — —The *Panduit* approach
 - § 9:14 — —Demand for the patented product
 - § 9:15 — —The absence of acceptable noninfringing substitutes being sold by other companies
 - § 9:16 — —The absence of noninfringing substitutes available to the infringer
 - § 9:17 — —Capability to make and sell the lost units
 - § 9:18 — —The amount of the lost profits
 - § 9:19 — —The entire profits or the portion attributable to the invention
 - § 9:20 — —Sales of complementary products
 - § 9:21 —Lost profits from lower prices or higher costs on patent owner sales
 - § 9:22 —Lost royalties

TABLE OF CONTENTS

§ 9:23 —Other theories of lost profits

§ 9:24 Award of lost profits on some infringing sales and a reasonable royalty on others—Split awards

§ 9:25 Compensation not less than a reasonable royalty

§ 9:26 —An established royalty

§ 9:27 —The *Georgia-Pacific* factors

§ 9:28 —The result of a hypothetical negotiation

§ 9:29 —The value of the invention the owner lost and the infringer gained

§ 9:30 —*Georgia-Pacific* factors

§ 9:31 — —Established royalty

§ 9:32 — —Demand for the patented product or process, and the nature of the market

§ 9:33 — —Demand for complementary products; collateral or convoyed sales

§ 9:34 — —Profits from use of the invention

§ 9:35 — —Profits attributable to the invention and not to unpatented elements

§ 9:36 — —Profits attributable to the invention and not to other sources of profit

§ 9:37 — —Profits attributable to the invention compared to available noninfringing substitutes

§ 9:38 — —Manner the patent owner would exploit the invention

§ 9:39 — —Patent owner’s and infringer’s licensing practices

§ 9:40 — —Customary royalties

§ 9:41 —Assumption that the patent is valid and infringed

§ 9:42 —Unit sales and sales revenue on which reasonable royalty damages are based

§ 9:43 —Patent owner’s net profits minus the patent owner’s average net profits on all products as a reasonable royalty (*Georgia-Pacific*)

§ 9:44 —Infringer’s expected profits minus the standard industry net profit as a reasonable royalty (*TWM v. Dura*)

§ 9:45 —The patent owner’s actual profits minus standard industry profits as a reasonable royalty (*Panduit v. Stahlin*)

§ 9:46 —The infringer’s cost savings from use of the invention as a reasonable royalty (*Grain Processing*)

§ 9:47 Increased damages and attorney fees; sections 284 and 285

§ 9:48 Increased damages

§ 9:49 —Increasing damages to deter infringement and induce care to avoid infringement

§ 9:50 —Increasing damages to reduce the total costs

- incurred by patent owners and product producers in learning and litigating about patents
- § 9:51 Attorneys' fees may be awarded in exceptional cases
 - § 9:52 —The reason for awarding attorneys' fees
 - § 9:53 Prejudgment interest
 - § 9:54 Time limitation on damages and the marking requirement; section 286 and 287
 - § 9:55 History of patent damages
 - § 9:56 —The Patent Acts prior to 1870
 - § 9:57 —An established royalty, lost profits not in excess of an established royalty, and infringer's profits (not limited to an established royalty) - 1870 to about 1900
 - § 9:58 —An established royalty, lost profits, infringer's profits, and a reasonable royalty when other measures failed - about 1900–1946
 - § 9:59 —An established royalty, lost profits, a reasonable royalty, and perhaps infringer's profits - 1946 to 1964
 - § 9:60 —Lost profits, an established royalty, and a reasonable royalty - 1964 to present
 - § 9:61 Economics of lost profits damages
 - § 9:62 —Demand
 - § 9:63 —Supply
 - § 9:64 —Patent owner profits absent infringement
 - § 9:65 — —Acceptable noninfringing substitutes
 - § 9:66 — —Lost profits where the owner and infringer are equally efficient and there are no substitutes for the invention
 - § 9:67 —Lost profits, and the effect of reduced market price on market quantity
 - § 9:68 —Damages for lost profits on the patent owner's lost sales, plus a reasonable royalty on the infringer's total sales minus the owner's lost sales
 - § 9:69 —Damages for lost profits based on the patent owner's market share
 - § 9:70 —Lost profits and other damages where the owner is more efficient than the infringer
 - § 9:71 —Lost profits and other damages where the infringer is more efficient than the owner
 - § 9:72 —Lost profits and other damages when there are noninfringing substitute inventions; the apportionment issue
 - § 9:73 — —Lost profits where an infringer possesses a substitute invention
 - § 9:74 Economics of reasonable royalty damages
 - § 9:75 —Estimating lost market value when there are no lost profits; a reasonable royalty as a surrogate measure

TABLE OF CONTENTS

- § 9:76 —A patent owner's profits from licensing absent infringement
- § 9:77 — —Where the patent owner and infringer ("licensee") are equally efficient
- § 9:78 — —Where selling and licensing are not equally efficient and profitable due to lower costs
- § 9:79 — —Where selling and licensing are not equally efficient and profitable due to a more valuable product

CHAPTER 10. FRAUD, INEQUITABLE CONDUCT, LACHES, AND ESTOPPEL

- § 10:1 Introduction
- § 10:2 The development of the judicial prohibition against fraud and inequitable conduct in obtaining a patent
- § 10:3 —The prohibitions against fraud in judicial and adversary proceedings in the patent office
- § 10:4 —The creation of an antitrust claim based on fraudulently obtained patents
- § 10:5 —The creation and development of the inequitable conduct defense
- § 10:6 —The current standard for the inequitable conduct defense
- § 10:7 Economic policy of the fraud and inequitable conduct rules
- § 10:8 Laches and Estoppel Defenses
- § 10:9 —Economics of Laches and Estoppel
- § 10:10 —Law of Laches
- § 10:11 —Law of estoppel

CHAPTER 11. ANTITRUST, MISUSE, AND PUBLIC POLICY LAWS THAT LIMIT EXPLOITATION OF PATENT RIGHTS

- § 11:1 Introduction
- § 11:2 An overview of licensing
- § 11:3 The limits on commercial exploitation of patents under antitrust, misuse, preemption and public policy doctrines
- § 11:4 Antitrust standards
- § 11:5 Patent misuse standards
- § 11:6 —The Supreme Court's version of the misuse defense
- § 11:7 —The misuse defense beyond practices categorically condemned by the Supreme Court; *Windsurfing*, *USM*, *Mallinckrodt*, *Braun*, *Virginia Panel*

PATENT LAW, LEGAL AND ECONOMIC PRINCIPLES

- § 11:8 —§ 271(d) and the judicial standards for misuse
- § 11:9 —§ 271(d) and antitrust claims
- § 11:10 The public policy standard
- § 11:11 The preemption standard
- § 11:12 The basic options of patent owners
- § 11:13 —Capture the commercial value of the rights by licenses that provide incentives for licensees to make and sell the most valuable products at lowest cost, and pay the owner a share of the resulting profits (without limiting rivalry with substitute rights)
- § 11:14 —Increase the profitability of supplying rights or products by limiting rivalry with the cooperation of suppliers of substitute rights or substitute products
- § 11:15 —Increase the profitability of supplying rights or products by limiting rivalry without the cooperation of suppliers of substitutes
- § 11:16 —How antitrust and misuse law applies to the basic options of intellectual property owners
- § 11:17 Licenses that primarily limit rivalry among suppliers of substitute products
- § 11:18 Licenses that primarily limit rivalry among suppliers of substitute rights
- § 11:19 Licenses that limit rivalry in markets beyond the scope of the rights by foreclosing other suppliers of unprotected products
- § 11:20 Evaluating the potential effects of licensing in markets for products beyond the reach of the rights
- § 11:21 The time horizon for judging anticompetitive effects
- § 11:22 Some legal limits on exploiting patents
- § 11:22.1 Acquiring patent rights and refusing to license or use them
- § 11:23 Royalty issues
- § 11:24 High royalties
- § 11:25 Joint licensing of substitute patents at agreed rates
- § 11:26 Licenses conditioned on payment of royalties on activities that do not involve use of the licensed patent
- § 11:27 Royalties on activities conducted after the licensed patent expires
- § 11:28 Discriminatory royalties
- § 11:29 Grantbacks
- § 11:30 Tying arrangements
- § 11:31 Package licensing
- § 11:32 Granting an exclusive license
- § 11:33 Exclusive dealing - restrictions against the licensor or licensee dealing in competitive products

TABLE OF CONTENTS

§ 11:34	Field of use restrictions
§ 11:35	Price restrictions
§ 11:36	Quantity restrictions
§ 11:37	Territory restrictions
§ 11:38	Resale restrictions
§ 11:39	Field of use restrictions on resale
§ 11:40	Price restrictions on resale
§ 11:41	Territorial restriction on resale
§ 11:42	Restrictions on the granting of additional licenses
§ 11:43	Cross-licensing
§ 11:44	Restrictions in licenses for the primary purpose of eliminating competition among companies that would exist in the absence of the license or licenses

CHAPTER 12. THE PREEMPTION OF STATE LAW BASED ON THE PATENT ACT

§ 12:1	Federal preemption
§ 12:2	Patent preemption issues
§ 12:3	Preemption limits on state unfair competition law
§ 12:4	The enforceability of royalty obligations and patent validity before <i>Lear</i>
§ 12:5	The antitrust defense to royalty obligations
§ 12:6	The contract doctrine of licensee estoppel is preempted by patent law— <i>Lear</i>
§ 12:7	A licensee may avoid royalty payments for some activities prior to judgment by proving patent invalidity— <i>Lear</i>
§ 12:8	The enforceability of a licensee's express agreement not to challenge validity after <i>Lear</i>
§ 12:9	The enforceability of termination provisions after <i>Lear</i>
§ 12:10	A licensee may bring an action to resolve a contract dispute over the impact of invalidity on royalties— <i>Medimmune v. Genentech</i>
§ 12:11	The limits on declaratory judgments in patent actions prior to <i>Medimmune</i>
§ 12:12	The facts and the result in <i>Medimmune</i>
§ 12:13	The limits of <i>Medimmune</i>
§ 12:14	The decision whether to license under <i>Lear</i> and <i>Medimmune</i> and for what royalty
§ 12:15	Licensing unconstrained by <i>Lear</i>
§ 12:16	Licensing constrained by <i>Lear</i>
§ 12:17	Licensing constrained by <i>Medimmune</i>
§ 12:18	What licensees should do after <i>Lear</i> and <i>Medimmune</i>

- § 12:19 What patent owners should do after *Lear* and *Medimmune*
- § 12:20 Legislation on licensing and patent validity
- § 12:21 The enforceability of agreements to keep trade secrets confidential—*Kewanee*
- § 12:22 — —Patent law does not prevent states from encouraging invention
- § 12:23 — —Patent law does not prevent states from protecting inventions that are not part of the public domain
- § 12:24 — —A theoretical injury to one purpose of patent Law is not sufficient for preemption
- § 12:25 — —Preemption requires consideration of the economic benefits served by state law
- § 12:26 The enforceability of royalty obligations in a know-how license—*Aronson*
- § 12:27 The enforceability of royalty obligations in licenses entered to settle litigation—Consent judgments, settlement agreements, and dismissal orders
- § 12:28 The enforcement of patents against parties to assignments and exclusive licenses

CHAPTER 13. COMMENTARY ON ISSUES IN PATENT LAW

- § 13:1 Introduction
- § 13:2 The characteristics of sound legal policy
- § 13:3 The purpose of patent law
- § 13:4 —Encourage inventing by increasing incentives
- § 13:5 —Encourage disclosure of inventions
- § 13:6 —Preventing information in the public domain from being removed
- § 13:7 —Encourage inventing, disclosure, and assure free use of ideas in the public domain
- § 13:8 —Encourage commercial use of inventions
- § 13:9 —Other policies that influence patent law
- § 13:10 — —Harmonize United States and foreign laws
- § 13:11 — —Prevent submarine patents
- § 13:12 Patentable subject matter
- § 13:13 —Abstract principles
- § 13:14 —Scientific principles and laws of nature
- § 13:15 —Mathematical formulas, and business methods
- § 13:16 —The general problem of improvements
- § 13:17 —Unknown scientific principles as prior art under *Parker and Funk Bros*
- § 13:18 —Natural products
- § 13:19 Utility

TABLE OF CONTENTS

§ 13:20	—Utility and commercial value
§ 13:21	—Substantial rather than trivial use
§ 13:22	—The reason for a utility requirement
§ 13:23	—Chemical inventions
§ 13:24	Pharmaceutical inventions
§ 13:25	Possible amendments
§ 13:26	The prohibition against double patenting
§ 13:27	—Possible amendments
§ 13:28	Grant the patent to the first inventor, unless that inventor abandoned, suppressed or concealed the invention—Sections 102(g) and 102(c)
§ 13:29	—The two roles of Section 102(g)
§ 13:30	—When is an invention made?
§ 13:31	—Actual and constructive reduction to practice encourage inventing by increasing incentives
§ 13:32	—Diligence
§ 13:33	—Abandonment
§ 13:34	—Suppression or concealment
§ 13:35	—Prohibiting a patent to a second inventor, where the first does not seek it
§ 13:36	—The relation of Section 102(g) to Section 102(a)
§ 13:37	—Assigning patents based on invention dates or application filing dates
§ 13:38	—Prior user rights
§ 13:39	—Possible amendments
§ 13:40	Novelty
§ 13:41	—Patented or described in a printed publication
§ 13:42	—Known or used by others
§ 13:43	—Possible amendments
§ 13:44	Prior applications and Section 102(e)
§ 13:45	—Possible amendments
§ 13:46	Derivation and Section 102(f)
§ 13:47	Nonobviousness and Section 103
§ 13:48	—The purpose of the requirement
§ 13:49	—Is this requirement justified in view of its difficulty?
§ 13:50	—What is an ordinary person skilled at doing?
§ 13:51	—The skilled person who does not undertake to innovate
§ 13:52	—The skilled person capable only of following the suggestions and motivations of the prior art
§ 13:53	—The skilled person who proceeds only where success is expected
§ 13:54	—Other facts considered in defining the level of ordinary skill
§ 13:55	—The positive relationship between patent incentives and the level of ordinary skill

- § 13:56 —The focus on the ordinary person and the realities of R&D
- § 13:57 —What is prior art for this purpose?
- § 13:58 — —Section 102(a)
- § 13:59 — —Section 102(b)
- § 13:60 — —Section 102(e)
- § 13:61 — —Section 102(f)
- § 13:62 — —Section 102(g)
- § 13:63 —The historical or secondary considerations
- § 13:64 —Possible amendments
- § 13:65 The public use and on sale bars of section 102(b)
- § 13:66 —The purpose or purposes of section 102(b)
- § 13:67 — —Commercial exploitation
- § 13:68 — —Test the market
- § 13:69 — —Protect reliance interests of the public
- § 13:70 — —Prevent delay in filing
- § 13:71 — —The largely ignored goal - incentives
- § 13:72 —The extension of section 102(b) to acts that capture none of the value of the invention in the pre-critical date period
- § 13:73 —The relationship between public use and on sale activities
- § 13:74 —Extension of section 102(b) to activities involving an obvious variant of the invention
- § 13:75 —Experimental uses and sales
- § 13:76 —The problem of uses and sales that do not reveal the invention
- § 13:77 —Sales and uses by third parties not seeking a patent
- § 13:78 —Licenses and assignments of inventions
- § 13:79 —Possible amendments
- § 13:80 The specification and claims
- § 13:81 The written description requirement
- § 13:82 The enablement requirement
- § 13:83 The best mode requirement
- § 13:84 The requirements that claims particularly point out and distinctly claim the invention
- § 13:85 —Claims must be reasonably definite
- § 13:86 —Claims must be reasonably limited to the invention disclosed
- § 13:87 Infringement—Defining the scope of rights
- § 13:88 An overview of the doctrines, facts, and procedure for determining the scope of rights
- § 13:89 The differences between the historical and current approach
- § 13:90 The correct scope of a patent

TABLE OF CONTENTS

§ 13:91	Claims and the correct scope of a patent
§ 13:92	Literal infringement
§ 13:93	The doctrine of equivalents
§ 13:94	An alternative to the current approach
§ 13:95	Section 112(6) and means-plus-function claims
§ § 13:96 to 13:128	[Reserved]
§ 13:129	The general theory of damages
§ 13:130	—The importance of the measures of damages
§ 13:131	—The inability to measure damages by an infringer's profits
§ 13:132	—Use of an established royalty to measure damages
§ 13:133	Damages based on a patent owner's lost profits—The <i>Panduit</i> formula
§ 13:134	—Split awards
§ 13:135	—The prices and quantities for determining lost profits
§ 13:136	—Measuring lost profits based on the patent owner's market share
§ 13:137	—Separating the value of an invention from the value of a product or process employing the invention; the apportionment problem
§ 13:138	— —Unitary products
§ 13:139	— —Separate products
§ 13:140	— —Separate products used in variable proportions
§ 13:141	—The <i>Grain Processing</i> approach to identifying the value of an invention
§ 13:142	—Types of injuries for which a patent owner should be compensated, and the reasonable foreseeability of injuries
§ 13:143	—Patent owner's sale of a product that does not embody the patent infringed
§ 13:144	Damages based on compensation not less than a reasonable royalty
§ 13:145	—Reliance on the hypothetical negotiation approach
§ 13:146	—Reliance on the <i>Georgia-Pacific</i> factors
§ 13:147	—Reliance on historical prices, quantities, and profits
§ 13:148	— —Identifying the correct royalty rate given infringement, and the effect of royalties on revenue, quantity, and profits
§ 13:149	— —Identifying the correct level of sales revenue or quantity on which to award damages
§ 13:150	— —An example
§ 13:151	— —The different approach for lost-profits damages
§ 13:152	—Reliance on patent owner and infringer expectations
§ 13:153	—Reliance on the patent owner's and an infringer's efficiency

PATENT LAW, LEGAL AND ECONOMIC PRINCIPLES

- § 13:154 —Uncertainty about the parties' bargaining positions in the hypothetical negotiation
- § 13:155 — —A hypothetical negotiation between the patent owner and one infringer
- § 13:156 — —A negotiation in which the patent owner receives all or part of the value of the invention
- § 13:157 — —A hypothetical negotiation with a more efficient infringer
- § 13:158 —Uncertainty about the pertinent patent owner and infringer costs used to determine profits
- § 13:159 — —Pertinent profits during a period when the patent owner has capacity to expand output with no additional investment in fixed costs
- § 13:160 — —Pertinent profits when the infringer's fixed costs are sunk at the time of the hypothetical negotiation
- § 13:161 — —Uncertainty about whether the infringer retain a reasonable profit
- § 13:162 —Other effects of linking damages to licensing results
- § 13:163 —Uncertainty about the effect (and cost) of patents owned by others
- § 13:164 —Uncertainty about the effect (and cost) of patents owned by the infringer and used in infringing activities
- § 13:165 The time and territorial limits on damages
- § 13:166 Increased damages and attorney's fees—Increased damages
- § 13:167 —The purpose of increasing damages
- § 13:168 —The criteria for increasing damages
- § 13:169 —The desired level of deterrence, and the criteria for increasing
- § 13:170 —The amount of the increase
- § 13:171 —Attorney's fees
- § 13:172 Amendments to the Patent Act on damages
- § 13:173 —Summary of comments on Patent Reform Act damages amendments
- § 13:174 —The Patent Reform Act amendments try to solve two perceived problems with reasonable royalty damages
- § 13:175 —How the Patent Reform Act amendments attempt to solve these two perceived problems
- § 13:176 —The amendments change the law by requiring use of one of three supposed methods of determining reasonable royalty damages
- § 13:177 —The entire market value rule is not a separate theory of reasonable royalty damages and the bill's version of that rule fails to identify inventions responsible for the entire profits from sales of a product

TABLE OF CONTENTS

- § 13:178 —The bill's valuation calculation rule does not require damages equal to the economic value of inventions and would be an obstacle to sensible awards
- § 13:179 —The amendments may lead to damages awards that are too large by requiring that the damage awards be based on the claimed invention's specific contribution over the prior art
- § 13:180 —The establish royalty option will frequently lead to damage awards that are too low and lead to less licensing and more litigation
- § 13:181 —These amendments will likely prevent the courts from adopting a simpler and better solution
- § 13:182 —The amendments impose new requirements on judges in patent actions
- § 13:183 —The amendments do not provide for increased damages in appropriate situations
- § 13:184 — —The general willful infringement standard and the specific limitations
- § 13:185 — —The effects of the willfulness amendments
- § 13:186 — —The proper role of increased damages
- § 13:187 — —The three judicial approaches to increased damages
- § 13:188 —The Patent Reform Act amendments do nothing about many other defects in the law of patent damages
- § 13:189 —The standard and burden of proof for determining reasonable royalty damages
- § 13:190 —An alternative amendment to section 284 and the purposes of the changes in that amendment
- § 13:191 — —The language of the alternative
- § 13:192 — —Damages based on the economic value of the invention
- § 13:193 — —Profits lost as the result of the economic value of the invention in the infringing use
- § 13:194 — —The reasonable economic value of the invention in the infringing use
- § 13:195 — —The amount of reasonable royalty payments
- § 13:196 — —The reasonable economic value of the invention in more valuable use by another the importance of the measures of damages
- § 13:197 — —Standard and burden of proof
- § 13:198 — —Increased damages
- § 13:199 — —Infringer's profits or gains
- § 13:200 The fraud and inequitable conduct defenses
- § 13:201 —The Patent Act is not the source of these defenses
- § 13:202 —The defenses originated with misconduct during litigation and interferences

- § 13:203 —The courts then said fraudulent procurement and enforcement could be the basis for antitrust liability
- § 13:204 —The courts then said fraudulent procurement was a defense
- § 13:205 —Inequitable conduct short of fraud then became a defense
- § 13:206 —Potential antitrust liability was also extended to bad faith patent enforcement
- § 13:207 —Possible amendments on fraud and inequitable conduct
- § 13:208 The patent misuse defense, antitrust claims, and related rules limiting exploitation of patent rights
- § 13:209 —Antitrust limits
- § 13:210 —A patent misuse defense that exists independent of antitrust standards
- § 13:211 —Are the *per se* prohibitions of antitrust and patent misuse law correctly defined?
- § 13:212 —Tying
- § 13:213 — —Product—Product tie-ins
- § 13:214 — —License—Product tie-ins
- § 13:215 — —Tie-ins and section 271(d)
- § 13:216 —Exclusive dealing—Restrictions against the license or licensee dealing in competitive unpatented products
- § 13:217 —Licenses conditioned on payment of royalties on activities that do not involve use of the licensed patent
- § 13:218 — —Royalties on activities conducted after the licensed patent expires
- § 13:219 —Package licensing
- § 13:220 —Price restrictions
- § 13:221 —Resale price and other restrictions
- § 13:222 —Restrictions on further licensing
- § 13:223 —Discriminatory royalties
- § 13:224 —Legislative efforts to limit patent misuse
- § 13:225 —Should the misuse defense be eliminated?
- § 13:226 —Possible amendments to limit antitrust claims and misuse defenses

Table of Laws and Rules

Table of Cases

Index